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Beyond the Industrial City?

Dr. James M. Simmie

Association of Bay Area Governments
University College London

Introduction

The advance of industrialism was accompanied by the concentration of employment and people in cities. The growth of industrial cities during the nineteenth and twentieth centuries was spectacular. Such was the confidence that they would continue to grow that some cities planned limits to their physical expansion. Over the course of the last few decades, however, many industrial cities have experienced relative and even absolute declines in both employment and population whether or not these were planned.

Traditional explanations for the growth of industrial cities do not account for their decline. The most favoured of these explanations draws an analogy between cities and nations. It argues that exports are the main basis of growth and therefore that those cities who export the most goods grow the fastest. This is linked to modernisation theory which argues that after development takes off it usually leads to sustained long-term growth. This growth is based on the export of goods rather than services. The latter are often regarded in different ways as unproductive and dependent on growth in physical production.

Since many large cities are now losing population and, in some cases, employment, this traditional explanation of their growth is no longer appropriate. As a result, a different theory has been developed to explain their decline. This takes the city as a focus for the decisions of producers and consumers, and argues that the factor costs of agglomeration produce diseconomies of scale. These diseconomies influence the decisions of firms and households and turn them against large cities. This explanation is not convincing because many of the same elements which were said to lead to urban growth when cities were growing are now said to lead to their decline.

A good theory of urban development has to account for both growth and decline. It should be relatively integrated and not use the same elements to account for different phenomena according to the latest circumstances.

The object of this paper is therefore to look a little beyond the industrial city to see if an explanation of current urban growth can be developed which also explains decline. This will be attempted by evaluating the post-industrial society theory of urban growth, suggesting that a corporatist approach may prove more fruitful and testing this proposition by examining decline in San Francisco and growth in San Jose.

The post-industrial city

Since most employment is located in cities and most people live in urban areas, societal explanations of these phenomena are also essentially urban explanations in advanced industrial societies. In order to explain urban characteristics it is therefore necessary to start with general economic, political and social theories.

One of the more popular socio-economic theories which has recently been applied to explain urban growth is the post-industrial thesis. This theory is exemplified in the work, among others, of Colin Clark (1940), Daniel Bell (1974), and John Mollenkopf (1979). Clark argued that the "progress" and "development" of an economy could be charted by examining the proportions of the work force engaged in different occupations. He coined the terms primary, secondary, and tertiary to describe the main employment categories and argued that economic progress was marked by the successive growth and decline of those sectors.

Bell extended Clark's argument to assert that contemporary growth in tertiary and subsequent categories of employment was of sufficient magnitude to mark the arrival of a new, post-industrial society. This transition, according to Bell, has been marked by a number of important changes which differentiate it from primarily industrial societies. The most important of these are the change from the production and consumption of goods to services; the rising dominance of scientific and technical knowledge; the subordination of the firm to social improvement purposes; the growth of social planning, particularly by governments; and the growing importance of a technocratic elite.

A number of other important liberal writers have contributed to these themes. Notable examples of their work are Rostow (1960), Schumacher (1973), Galbraith (1974), and Dahrendorf (1975). Much of this work is a debate with socialist analyses of the scope and direction of economic, political and social change.

Mollenkopf provides an example of the influence of this post-industrial thesis in his analysis of the causes of the relative decline of Northeastern and growth of Southwestern cities in the United States. A part of his argument explaining the growth of the latter is that increases in service employment were a primary cause and that services have provided the basis for the growth and development of post-industrial cities.

Jonathan Gershuny (1978) has, however, offered a most perceptive critique of the post-industrial thesis which calls it into question as a possible explanation of urban growth and decline. First he argues that Bell never defines what he means by a service. This is a serious imprecision since Webster's dictionary lists 20 different major definitions of service ranging from "the habit or practice of serving God" to "copulation with a female animal."

Bell's notion of service is developed by implication in the contrast with goods. In this contrast services are impermanent, immaterial and involve face-to-face relationships between people. Services are only consumable at the instant of production. At the moment of acquisition by the consumer a good is a thing whereas a service is a state, activity or sensation. Gershuny emphasises the importance of the qualifications "at the moment of acquisition" because many goods may eventually provide a service.

A careful analysis of employment patterns reveals four significantly different types of service. These are production, exchange, distribution and consumer services. Production services take place within firms or government agencies and are accomplished mainly by white-collar workers in mining, construction, manufacturing and national economic programmes. Exchange services take place largely in financial organisations and facilitate the exchange of land, labour, capital, raw materials, goods and services through the medium of money. Distribution services include transportation and trade while consumer services are all those activities which, at the moment of their acquisition by households, are impermanent, not goods, and require face-to-face contacts. Production services are employed entirely by and usually within production units. Consumer services are used mainly by households. Exchange and distribution services are employed mainly by firms at the beginning and end of production processes but they are also partially consumed by households.

Bell lumps all these different types of service together and basically argues that the observable increase in white-collar occupations is equivalent to an increase in services and therefore to a change from goods production to service consumption. Gershuny has argued that, in the United Kingdom, and by implication in other industrial societies, the amount of employment in an industrial sector does not indicate the size of its final product; the observable rise in white-collar employment is insufficient and unnecessary to explain the consumption of services; and that private household consumption of services is being replaced by the use of consumer durables. This marks a change from services to goods, just the opposite of Bell's assertion.

The change to what Gershuny calls a "self-service" economy is marked by increasing capital investment within households. This contrasts with a steady or falling private, household consumption of consumer services in the United Kingdom. There, only public, household consumption of health and educational services has increased over the past few decades . Despite this modest change in consumer services, white-collar occupations have grown considerably. Much of this growth, however, is the result of expansion in production and exchange services. The apparent paradox between relatively constant household acquisition of services and rising white-collar employment will be addressed later. For the moment, it is important to see whether Gershuny's analysis applies in the United States as well as the United Kingdom.

Table 1

Major Occupation Groups of the Experienced Civilian Labour Force
United States, 1900 to 1979
Persons 14 years old and over

Occupation group	Year 1900 %	1910 %	1920 %	1930 %	1940 %	1950 %	1960 %	1970 %	1979 %
Profess., technical, and kindred workers	4	5	5	7	8	9	11	14	16
Managers, officials, and proprietors	6	7	7	7	7	9	8	8	11
Clerical and kindred workers	3	5	8	9	10	12	14	17	18
Salesworkers	5	5	5	6	7	7	7	7	6
Craftsmen, foremen, and kindred workers	11	12	13	13	12	14	14	13	13
Operators and kindred workers	13	15	16	16	18	20	19	17	15
Labourers, except farm and mine	13	12	12	11	9	7	5	4	5
Private household workers	5	5	3	4	5	3	3	1	1
Service workers except private household	4	5	5	6	7	8	9	11	12
Farms and farm managers	20	17	15	12	10	7	4	2	2
Farm labourers and foremen	18	14	12	9	7	4	2	1	1
Total N(000s)=100%	29030[a]	37291[a]	42206[a]	48686[a]	51742[a]	58999[a]	67990[a]	80603[a]	96945[b]

Note: Numbers do not necessarily add to 100 because of consistent rounding.

Sources: a. United States Bureau of the Census (1976), Historical Statistics of the United States. Colonial Times to 1970. U.S. Department of Commerce, Washington, D.C.

b. United States Bureau of the Census (1980), Statistical Abstract of the United States: 1980 (101st edition). U.S. Department of Commerce, Washington, D.C.

Table 1 presents the kind of occupational data which forms the basis of the traditional post-industrial society hypothesis in the United States. It shows that the occupied workforce increased by 67,915,000, a growth of 234 percent between 1900 and 1979. In 1900, 27 percent of the workforce were white-collar workers. In 1979, 64 percent of the workforce were professional, technical or kindred workers (PTK), managers, officials and proprietors (MOP), clerical and kindred workers (CK), salesworkers (S), private household workers (PH) or service workers other than in private households (SW). According to the post-industrial orthodoxy this should represent a similar increase in the acquisition of services.

Table 1, however, also demonstrates some interesting features which do not altogether support this analysis. In the first place it may be seen that the relative increase in white-collar and service occupations of 37 percent is almost entirely offset by a decrease in agricultural employment of 35 percent. In occupational terms, therefore, there has beem a change from agricultural to white-collar and service occupations rather than from manufacturing to services. This is borne out by increases in the more skilled forms of manual labour. Craftsmen, foremen and kindred workers (CFK) increased from 11 to 13 percent and operators and kindred workers (OK) increased from 13 to 15 percent of total occupations. Most of the decline in manual occupations has been experienced by labourers (L). Although a relative decline in partly-skilled occupations has set in since 1950, the relative proportion of CFK has remained fairly constant throughout the twentieth century. On the basis of Table 1, the post-industrial society described in Bell's terms represents a shift from agriculture to services and not from goods to services.

Closer examination of what type of services these occupations contribute to reveals further contradictions to the original post-industrial hypothesis. Tables 2 and 3 show in greater detail which occupations are found in which industries in the United States between 1976 and 1981.

Both tables show that there are about the same numbers of white-collar workers outside service industries and occupations as inside them. Thus, in 1976, 33 percent of employed persons were white-collar workers and not employed in the service industries or as service workers. These industries and occupations accounted for 34 percent of total employment. In 1981 the respective figures were 36 and 35 percent. This shows that white-collar employment is not synonymous with services as Gershuny correctly argues; that service employment per se is only about half that of total white-collar employment in any case; and that, if anything, service employment, although increasing in absolute terms, is declining relative to other kinds of white-collar employment. It is therefore not consistent to argue that in the American economy increases in white-collar workers necessarily lead to increases in services.

In order to make any useful observations it is necessary to return to the distinctions between production, exchange, distribution and consumer service employment. Production service employment (PSE) will be defined as all PTK, MOP, CK and SW occupations in mining, construction and manufacturing and a quarter of those occupations in public administration. Exchange service

Table 2

Employed Persons by Industry and Occupations
United States, 1976

Industry	% Professional, technical workers	% Managers, admin. except farms	% Sales workers	% Clerical workers	% Craft and kindred workers	% Operators except transport	% Transport equipment operators	% Nonfarm labourers	% Private household workers	% Other service workers	% Farm workers
	Occupation										
Agriculture	-	-	-	-	-	-	-	-	-	-	4
Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	-	1	-	1	3	-	-	1	-	-	-
Manufacturing	2	2	1	3	5	10	1	1	-	1	-
(Durable)	2	1	-	2	3	5	1	1	-	-	-
(Nondurable)	-	1	1	1	2	5	-	1	-	-	-
Transportation, public utilities	1	1	-	1	1	-	2		-	-	-
Trade, whole.& ret.	-	4	4	4	2	1	1	1	-	4	-
(Wholesale)	-	1	1	1	-	-	1	-	-	-	-
(Retail)	-	3	3	3	2	1	1	1	-	4	-
Finance, insurance, real estate	-	1	1	2	-	-	-	-	-	-	-
Services	10	2	-	5	1	1	-	1	1	7	-
(Private)	-	-	-	-	-	-	-	-	1	-	-
(Other)	10	2	-	5	1	1	-	1	-	7	-
Public administn	1	1	-	2	-	-	-	-	-	1	-

Total N = 88,461,000 = 100%

Notes: - = less than 0.5%
Total number does not necessarily add to 100 because of consistent rounding.

Source: United States Department of Labor (1976), Employment and Earnings Vol. 23, No. 1, July. Washington, D.C.

Table 3

Employed Persons by Industry and Occupation
United States, 1981

Industry	% Professional, technical workers	% Managers, admin. except farms	% Sales workers	% Clerical workers	% Craft and kindred workers	% Operators except transport	% Transport equipment operators	% Nonfarm Labourers	% Private household workers	% Other service workers	% Farm workers
	Occupation										
Agriculture	-	-	-	-	-	-	-	-	-	-	3
Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	-	1	-	1	3	-	-	1	-	-	-
Manufacturing	3	2	1	3	4	8	1	1	-	-	-
(Durable)	2	1	-	2	3	5	-	1	-	-	-
(Nondurable)	1	1	1	1	1	3	1	-	-	-	-
Transportation, public utilities	1	1	-	2	1	-	2	-	-	-	-
Trade, whole.& ret.	-	4	4	4	1	1	1	1	-	4	-
(Wholesale)	-	1	1	1	-	-	1	-	-	-	-
(Retail)	-	3	3	3	1	1	-	1	-	4	-
Finance, insurance, real estate	-	1	1	3	-	-	-	-	-	-	-
Services	11	2	-	5	2	1	-	1	1	7	-
(Private)	-	-	-	-	-	-	-	-	1	-	-
(Other)	11	2	-	5	2	1	-	1	-	7	-
Public administn	1	1	-	2	-	-	-	-	-	1	-

Total N = 98,802,000 = 100%

Notes: - = less than 0.5%
Total number does not necessarily add to 100 because of consistent rounding.

Source: United States Department of Labor (1981), Employment and Earnings Vol. 28, No. 6, June. Washington, D.C.

employment (ESE) will be defined as all PTK, MOP, CK and SW occupations in finance, insurance and real estate and a quarter of public administration. Distribution service employment (DSE) will be defined as all PTK, MOP, S, CK and SW workers in transportation, public utilities and trade together with all S workers in other industries and a quarter of public administration. Consumer services employment (CSE) will be defined as all service workers plus a quarter of those in public administration.

Using these definitions, tables 2 and 3 show that PSE was 11 percent of the total United States workforce in 1976 and the same percent in 1981. ESE was four and five percent for the same years. DSE was 22 percent and 23 percent, while CSE was 29 and 31 percent respectively. These figures show that even if all manual workers and a quarter of government employees are included in consumer service employment, they still constitute about half the proportion that the traditional post-industrial society thesis accords to undifferentiated services. Furthermore, a sizeable proportion of service employment can now be seen to be directly or indirectly concerned with production rather than consumption. If employment figures have any relationship to final outputs, tables 2 and 3 show that a considerable part of total service employment is devoted to the production, financing and distribution of material goods rather than to the provision of face-to-face, intangible and impermanent services.

This point may be reinforced by analysing the proportions of household incomes spent on different goods and services at the moment of their acquisition. Table 4 shows the patterns of personal consumption on goods and services in the United States from 1950 to 1979.

The figures in Table 4 show a familiar pattern in advanced industrial countries. Thus, as incomes rise smaller proportions of income are needed to sustain the purchase of basic necessities such as food. Non-durable expenditures are therefore seen to decline in relative terms from 34 to 23 percent of personal consumption. The post-industrial orthodoxy then continues to argue that higher proportions of income are spent on services. On the face of it this has happened in the United States with service expenditure rising from 27 to 33 percent of expenditures.

A close examination of the figures reveals, however, that, as in the United Kingdom, all of this increase may be accounted for by the increasing costs of medical care and education. Thus, expenditures on medical care rose by five percent and on private education by one percent between 1950 and 1979 in the United States. The proportion of income spent on all other services remained within one percent of its 1950 total in 1979. Furthermore, the changes: the use of household utilities, purchased meals, purchased transportation and even foreign travel are all consistent with increased capital investment in durables and in the home.

Table 4 shows that personal expenditures on the home and durables increased from 38 to 43 percent between 1950 and 1979. A large part of this was caused by the escalating cost of housing and cars. Nevertheless, consumers' attempts to bear these costs indicate the relative priority attached to these items in consumer preferences. Taken together with the figures for

Table 4

Personal Consumption Expenditures, by Type of Product
United States, 1950 to 1979

Type of product	Year 1950 %	1960 %	1970 %	1979 %
Durables	38	40	41	43
Housing	11	15	15	16
Furniture, equipment, supplies	9	7	7	7
User-operated transportation	12	12	12	13
Recreation equipment	6	6	7	7
Non-durables	34	32	28	23
Food, alcohol, tobacco	22	22	19	16
Clothing, accessories, jewelry	12	10	9	7
Services	27	28	32	33
Household utilities and telephone	5	5	6	7
Purchased meals	6	5	5	5
Personal care	1	2	2	1
Domestic service	1	1	1	1
Medical care	5	6	8	10
Personal business	4	4	5	5
Purchased transportation	2	1	1	1
Private education and research	1	1	2	2
Religious and welfare activities	1	2	1	1
Foreign travel and other	1	1	1	-
Total N ($m) = 100%	191,009[a]	324,900[b]	618,800[b]	1,509,500[b]

Notes: - = less than 0.5%
Numbers do not necessarily add to 100 because of consistent rounding.

Sources: a. United States Bureau of the Census (1976). Historical Statistics of the United States Colonial Times to 1970. U.S. Department of Commerce, Washington D.C.

b. United States Bureau of the Census (1980). Statistical Abstract of the United States: 1980. (101st edition) Washington, D.C.

non-durables and services, those for durable purchases are consistent with the hypothesis that consumers are investing more on capital goods and their homes than they are spending on services. Apart from medical care and private education there has been no significant change from goods to services by American households between 1950 and 1979.

The government, however, is also a major provider of consumer services and it could be that when public expenditures are added to private purchases of consumer services that a noticeable shift from goods to services will emerge. Publicly provided consumer services will be contained within social welfare expenditures.

Table 5 shows that there has indeed been a significant increase in social welfare expenditures in the United States between 1950 and 1978. During this period they increased by $354,092m and by 13.1 percent of all government expenditures. The result was that by the end of the seventies half of government spending was devoted to social welfare. Even so, this only represented 17.8 percent of gross national product and was therefore still a relatively modest portion of total national expenditures particularly when compared with other advanced industrial societies.

Table 6 shows which public programmes the monies were spent on and where they came from. The figures show that the three largest programmes in 1950 were federally funded veterans and state and local funded social insurance and education. By 1979 there were only two major programmes: the now largely federally funded social insurance and the state and locally supported education programmes. Both of these programmes are under attack in 1981 first by the Reagan administration and second by proponents of proposition 13 type local tax policies. Their most likely future therefore seems to be to decline rather than increase.

Table 6 also shows that government programmes fall into two main categories of service. There are those which are concerned largely with transfer payments and are therefore exchange type services. There are also those like health and education which provide a person-to-person service which are consumer services. The latter should therefore be added to expenditures on consumer services to determine whether there has indeed been a shift from goods to services. This is done in Table 7.

Table 7 shows the proportions of total final consumption expenditures devoted to consumer services as a percentage of national income in the United States between 1960 and 1978. It may be seen that although the proportion of national income devoted to consumer services rose from 27 to 33 percent during this period, an increase of six percent, the increase in private medical care was three percent of public health and medical one percent and in public education of six percent can account for the entire increase in expenditure on consumer services betweem 1960 and 1978. Expenditures on all other consumer services remained proportionately and roughly constant over the period.

Table 5

Social Welfare Expenditures
United States, 1950 to 1978

Year	Total $m	Percent of gross national product	Percent of all government expenditures
1978[b]	377,600	17.8	50.7
1970[a]	145,893	15.3	47.8
1960[a]	52,293	10.6	38.0
1950[a]	23,508	8.9	37.6

Sources: a. United States Bureau of the Census (1976). Historical Statistics of the United States. Colonial Times to 1970. U.S. Department of Commerce, Washington, D.C.

b. United States Bureau of the Census (1980). Statistical Abstract of the United States: 1980 (101st edition). U.S. Department of Commerce, Washington, D.C.

Table 6

Social Welfare Expenditures under Public Programmes, by Source of Funds
United States, 1950 to 1978

Programme and source	Year 1950 %	1960 %	1970 %	1979 %
Social insurance				
Federal	9	27	31	31
State and local	12	10	7	10
Public aid				
Federal	5	4	7	5
State and local	6	4	5	6
Health and medical				
Federal	3	3	3	3
State and local	6	5	3	7
Veterans				
Federal	27	10	6	3
State and local	2	-	-	-
Education				
Federal	1	2	4	5
State and local	28	32	31	29
Housing				
Federal	-	-	-	1
State and local	-	-	-	1
Other social welfare				
Federal	1	1	2	n.a.
State and local	1	1	2	n.a.
Total N ($m) = 100%	23,508[a]	52,294[a]	145,894[a]	377,600[b]

Notes: - = less than 0.5%
Numbers do not necessarily add to 100 because of consistent rounding.

Sources: a. United States Bureau of the Census (1976). Historical Statistics of the United States. Colonial Times to 1970. U.S. Department of Commerce, Washington, D.C.

b. United States Bureau of the Census (1980). Statistical Abstract of the United States: 1980 (101st edition). U.S. Department of Commerce, Washington, D.C.

Table 7

Total Final Consumption Expenditures on Services as a Percent of National Income
United States, 1960 to 1978

Type of service	Year 1960 %	1970 %	1978 %
Private	21	23	24
Household utilities & telephone	3	3	4
Purchased meals	4	4	4
Personal care	1	1	1
Domestic service	1	1	-
Medical care	5	6	8
Personal business	3	4	4
Purchased transportation	1	1	1
Private education and research	1	1	1
Religious and welfare activities	1	1	1
Foreign travel and other	1	1	-
Public	6	9	9
Health and medical	1	2	2
Education	5	7	7
Private and Public	27	32	33
Total N ($B) = 100%	412.0	798.4	1,724.3

Notes: - = less than 0.5%
Numbers do not necessarily add to 100 because of consistent rounding.

Source: United States Bureau of the Census (1980). Statistical Abstract of the United States: 1980 (101st edition). U.S. Department of Commerce, Washington, D.C.

Although the costs and expenditures on private medical care seem likely to continue to escalate, attacks on public health, medical and education programmes seem destined to cut back the proportions of national income spent on them in the United States. In this case even the total figures for the acquisition of consumer services would not support the contention that there is a significant and long-term change from goods to services. As it is the increases in expenditures on health and education are not of sufficient magnitude to support this hypothesis on their own and the figures for other consumer services do not support it.

The orthodox post-industrial society hypothesis is therefore not a sound basis for explanations of urban growth and decline. Such explanations must be sought elsewhere.

The corporate city

There is no doubt that exponents of the post-industrial hypothesis have correctly observed a significant increase in the numbers of white-collar occupations in modern, advanced industrial societies. Any theory of economic and hence urban change must account for this increase without relying on dubious assertions about changes from goods production to consumer services.

A number of strands of contemporary work may be woven together to provide the beginnings of such a theory. Examples of this work are to be found in economics by Harris (1972), Galbraith (1974), Winkler (1977) and Chandler (1977); in politics by Schmitter (1974), Marsh and Grant (1977); and in the analysis of cities by Cawson (1977), Pred (1977), Mollenkopf (1979) and Simmie (1981). One of the main hypotheses running through these works is that the modern international corporation constitutes the main empirical framework of the economies of advanced industrial nations. Some of the authors cited extend this proposition to argue that this may more accurately be described as a change towards a corporatist rather than a post-industrial society.

Corporatism may be defined as a politico-economic system characterised by the exercise of power through functionally differentiated organisations seeking to achieve compromises in economically and politically approved actions which are as favourable to their particular interests as possible and which are often legitimated by their incorporation in the objectives of the state. The main negotiating groups in this system are monopolies, oligopolies and smaller producers in economic sectors; monopsonies, parties, pressure groups and individual consumers; the government and bureaucratic agencies of the state in the polity. The corporate economy is characterised by the division of producers into functional sectors. Each sector is usually dominated by a monopoly or oligopolies who are usually responsible for the majority of total output and employment in that sector. Each functionally segregated sector also contains a large number of small producers who constitute the remnants of a market economy. While the large producers may operate internationally and across different sectors, this is not so often

the case with smaller producers. To understand the framework of urban economic change it is therefore necessary to understand the underlying international corporation.

The international corporation, dominating one or more economic sectors and sometimes in combination with national governments, has come to constitute the framework of what Galbraith has called "the planning system." The large corporation, according to Galbraith, increasingly has no effective owner. Ownership is fragmented among numbers of shareholders many of whom have no direct connection with the corporation. As the power of private ownership declines so the corporation is able to choose policies according to the needs of its significant employers. These are mainly to perpetuate the existence of the corporation and to expand. Expansion both reinforces the power of the corporation and increases its internal and external planning capabilities. As a result, Chandler has shown the tendency for the modern corporation to take the place of market mechanisms in coordinating the economy.

Because most economic activity takes place in cities and because international corporations dominate and plan most sectors of the private economy so their actions constitute the framework of urban economic change. Thus, Pred has argued that cities are enmeshed in networks of multilocational organisations. Mollenkopf has supported this view and argued that organisationally encased interdependencies have become the dominant element in inter-city relations.

The key element in corporate structures and hence in urban employment is the division of labour. Large organisations employ highly sophisticated divisions of labour both within plants and between them. Large numbers of routine administrators are required to transmit the decisions of numbers of management, research and development specialists into production instructions for armies of increasingly sophisticated production workers.

The economic and organisational division of labour in international corporations is expressed geographically both within and between cities and also between nations. Central headquarter units, located in world cities, make strategic decisions about resource allocations. Middle managers and their support clerics, located in world or national cities, coordinate the activities of the corporation. Dispersed operating plants actually produce goods. These may be located almost anywhere that suits the purposes of the corporation.

Evidence for these geographic relationships between corporations and the urban economies has been provided, among others, by Chandler, Pred and Mollenkopf. They also show that as a result of the specialised division of labour within corporations, many of their headquarters and attendant production and exchange services are concentrated in a few world or national cities. Cohen (1978) has also shown that the highest level business, production or exchange services are even more concentrated in world cities than corporate headquarters.

The empirically observed growth of white-collar occupations emphasised by the orthodox post-industrial hypothesis is therefore not so much a reflection of a change from goods to services but a function of the division of labour in corporations. White-collar workers engaged in production, exchange and distribution services are more intimately connected with the production of goods than of consumer services.

The framework of changes in urban employment may therefore be explained by examining the relationships between hierarchically structured, multi-organisational, international corporations and the geographic location of the organisational units constituting different parts of their hierarchy. Alongside these there will also be a multitude of smaller firms constituting the market economy. These may be highly dependent on the corporations for their existence or relatively independent. Either way they do not constitute as significant a part of the urban economic framework as do the units of large corporations.

Some empirical evidence

Some evidence of the significance of the corporate city thesis may be gained by examining the changing urban economies of a world city apparently experiencing little growth and a national city at the top of the urban growth league in the United States. These may be found adjacent to one another which, apart from the obvious advantages this offers for field work, also has the significant benefit, from the point of view of comparative study, of holding more than the usual number of extraneous variables constant. The two cities chosen for analysis are San Francisco and San Jose in California. Their respective locations, county boundaries, principal roads and topographical characteristics are shown in Map 1.

For the purposes of analysis and also from the point of view of the local conurban reality the whole of Santa Clara County which constitutes the Standard Metropolitan Statistical Area (SMSA) of San Jose will be used. Both the San Francisco-Oakland SMSA which is composed of the City and County of San Francisco and the Counties of Marin, Contra Costa, Alameda and San Mateo, and San Francisco on its own will be used in the analysis.

During the seventies, the San Jose SMSA was one of the fastest growing national cities in the United States. Tables 8 and 9 show that employment increased there by 76.3 percent from 386,000 in 1970 to 680,000 in 1981. Manufacturing increased from 32.7 to 34.9 percent of these totals, trade from 18.7 to 25.0 percent and consumer services from 20.0 to 23.2 percent. Table 10 shows that this employment growth was also accompanied by a 345.7 percent growth in population from 290,547 in 1950 to 1,004,524 in 1980. The San Jose conurbation has undoubtedly been a growth area in the last few decades.

Map 1

San Francisco and San Jose

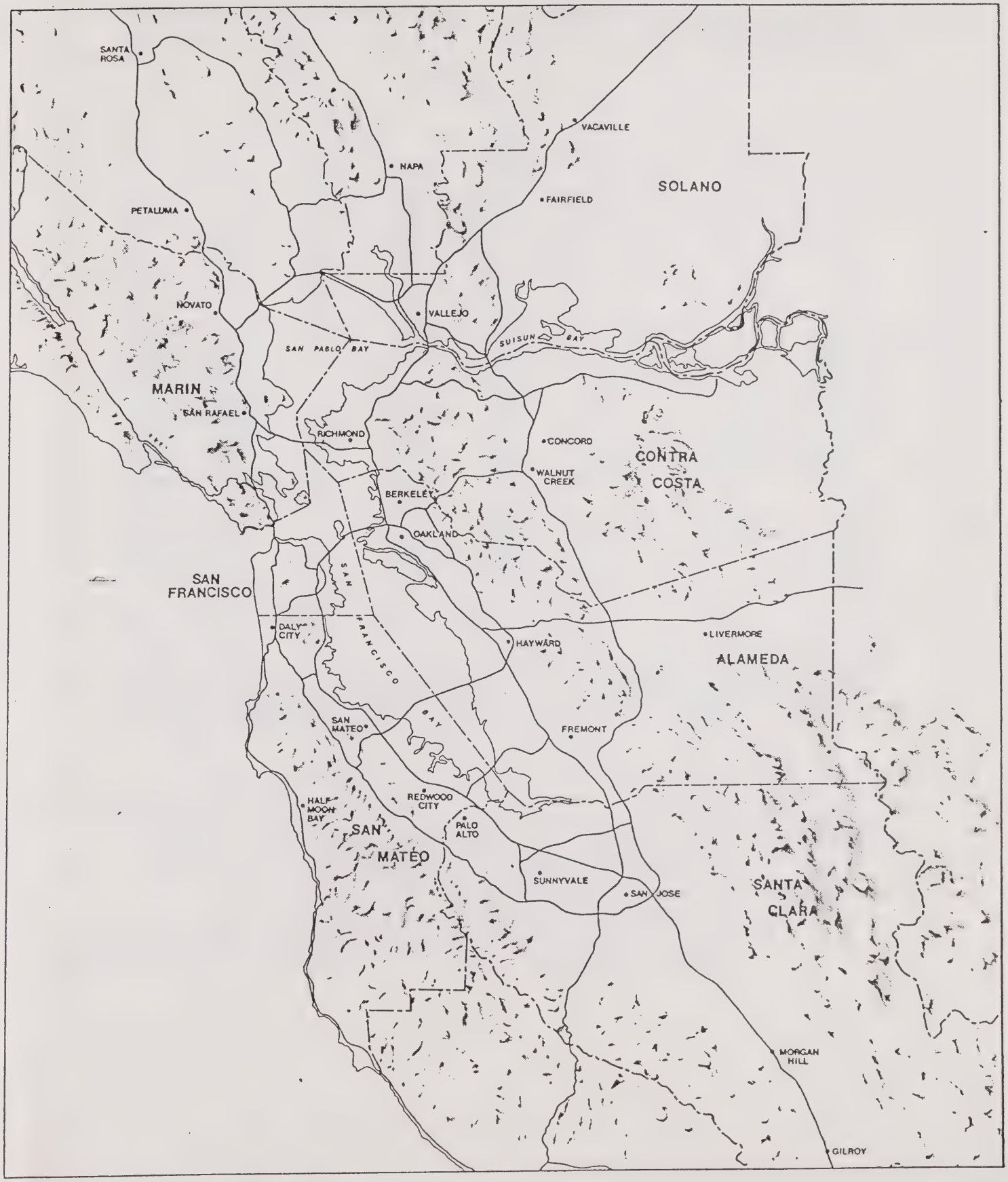

Table 8

Urban Wage and Salary Workers
Bay Region, 1970

Industry	Area: San Francisco %	Rest of San Francisco-Oakland SMSA %	San Jose SMSA %	Santa Rosa SMSA %	V-F-N SMSA %	Bay Region Total %
Construction	3.7	5.5	5.0	4.7	3.5	4.9
Manufacturing	11.5	17.7	32.7	13.6	10.5	19.4
Transportation, public utilities	10.5	10.7	4.5	5.1	5.2	8.9
Trade	19.9	21.6	18.7	24.9	17.7	20.6
Finance, insurance, real estate	11.3	6.3	3.3	6.0	2.6	6.4
Services	32.0	12.8	20.0	18.3	15.7	18.2
Government	11.1	25.4	16.0	27.4	44.8	21.5
Total N (000s) = 100%.	328.5[a]	939.3[b-a]	386.0[b]	51.4[b]	69.4[b]	1,774.6[b]

Notes: Figures for the San Francisco-Oakland SMSA excluding the City and County of San Francisco were obtained by deducting those of source "a" from those of source "b" and should therefore be viewed with caution.

Numbers do not necessarily add to 100 becuase of consistent rounding.

Sources: a. United States Department of Commerce (1975) Regional Employment by Industry, 1940-1970, Bureau of Economic Analysis. Washington, D.C.

b. Department of Human Resources Development (1971) California Labor Market Bulletin, Bureau of Labor Statistics, Sacramento.

Table 9

Urban Wage and Salary Workers
Bay Region, 1981

Industry	Area: San Francisco %	Rest of San Francisco-Oakland SMSA %	San Jose SMSA %	Santa Rosa SMSA %	V-F-N SMSA %	Bay Region Total %
Construction	3.8	4.9	3.3	5.3	4.6	4.2
Manufacturing	9.2	15.0	34.9	15.9	10.7	19.1
Transportation, public utilities	9.5	7.7	3.2	4.8	4.6	6.6
Trade	19.5	25.1	19.1	25.0	21.1	22.0
Finance, insurance, real estate	15.8	5.9	4.1	6.3	3.3	7.6
Services	26.5	20.6	23.2	20.1	19.5	22.6
Government	15.9	20.8	12.3	22.7	36.1	18.0
Total N (000s) = 100%.	559.8[a]	1,000.1[b-a]	680.5[b]	91.2[b]	99.8[b]	2,431.4[b]

Notes: Figures for the San Francisco-Oakland SMSA excluding the City and County of San Francisco were obtained by deducting those of source "a" from those of source "b" and should therefore be viewed with caution.

Numbers do not necessarily add to 100 because of consistent rounding.

Sources: a. State of California (1981) Annual Planning Information, Employment Development Department, San Francisco.

b. State of California (1981) California Labor Market Bulletin, Employment Development Department, San Francisco.

Table 10

Population Resident in Bay Region
1950 and 1980

	1950		1980		Change	
County	No.	%	No.	%	No.	%
San Francisco	775,357	28.9	678,974	12.8	-96,383	-12.4
Alameda	740,315	27.6	1,105,379	20.9	365,064	49.3
Contra Costa	298,984	11.2	657,252	12.4	358,268	119.8
Marin	85,619	3.2	222,952	4.2	137,333	160.4
San Mateo	235,659	8.8	588,164	11.1	352,505	149.6
Santa Clara	290,547	10.8	1,295,071	24.5	1,004,524	345.7
Sonoma	103,405	3.9	299,827	5.7	196,422	190.0
Napa	46,603	1.7	202,000	3.8	155,397	334.5
Solano	104,833	3.9	235,203	4.5	130,370	124.4
Totals	2,681,322[a]		5,284,822[b]		2,603,500	97.1

Note: Numbers do not necessarily add to 100 because of consistent rounding.

Sources: a. United States Department of Commerce (1952) Census of Population: 1950. Vol. II. Characteristics of the Population, Part 5, California. Bureau of the Census, Washington, D.C.

b. Association of Bay Area Governments (1981). Census Data Bulletin No. 1. ABAG. Berkeley.

San Francisco, rightly called by its devotees "The City," and in the third rank of world cities in the United States behind top ranked New York and second ranking Chicago, as shown in Table 11, has experienced many of the changes of other world cities during the last few decades. Total employment in San Francisco grew by 70.4 percent from 328,500 in 1970 to 559,800 wage and salary jobs in 1981. Out of these totals manufacturing declined from 11.5 to 9.2 percent, consumer services declined from 32.0 to 26.5 percent while finance, insurance and real estate increased from 11.3 to 15.8 percent and government increased from 11.1 to 15.9 percent. Population of The City followed a pattern familiar in other world cities and declined by 12.4 percent from 775,357 in 1950 to 678,974 in 1980. Such changes are often regarded as marking urban decline in their aggregate form.

Tables 8 and 9 also show that out of the total wage and salary employment growth in the Bay Region of 656,800 between 1970 and 1981, San Francisco accounted for 35.2 and San Jose SMSA for 44.8 percent. Thus, although San Francisco may be regarded in some aggregate statistics as a declining city and San Jose SMSA as a rapidly growing area, both showed significant employment growth in the seventies. Between them they accounted for 80 percent of total employment growth in the Bay Region. The remainder of the San Francisco-Oakland SMSA and the SMSAs of Santa Rosa, Vallejo-Fairfield-Napa (V-F-N) only contributed 20 percent of Bay Region employment growth between them.

The population figures shown in Table 10 illustrate a key paradox in the differences between world (declining) cities and national growth areas. Total population growth in the Bay Region was 2,603,500 between 1950 and 1980. San Francisco contributed minus 3.7 percent of this total. San Jose SMSA, on the other hand, gained 38.6 percent of the total. Thus, while San Francisco lost population it gained a significant number of jobs particularly in finance, insurance, real estate and government. In contrast, San Jose SMSA gained both employment and population but significantly and proportionately more jobs than residents. The employment increases here were also mainly in different sectors from those of The City. In San Jose SMSA the sectors which gained proportionately the most employment were manufacturing and consumer services. Apart from anything else, employment growth in both The City and San Jose SMSA combined with either a falling or less than proportionately increasing population must involve increased commuting to both areas.

The world city status of San Francisco, its regional dominance in headquarter and financial functions and the majority position of corporations and larger plants in the Bay Region economy are illustrated in Tables 11, 12 and 13. Table 11 shows that of the 395 major headquarters located in the United States in 1965, five percent were based in San Francisco. This ranked The City alongside Detroit, Los Angeles, Philadelphia and Boston as major third rank centers of top corporate hierarchies after New York and Chicago.

Table 11

Major Urban Corporate Hierarchies
United States 1965

Location of Headquarters	Type of Headquarters: Industrial %	Non-industrial %	All Headquarters %
New York	57	45	53
Chicago	18	20	19
Detroit	6	9	7
Los Angeles	5	11	7
San Francisco	5	5	5
Philadelphia	6	5	5
Boston	4	5	4
Total N = 100%	265	130	395

Note: Numbers do not necessarily add to 100 because of consistent rounding.

Source: Regional Plan Association (1972) The Office Industry: Patterns of Growth and Location Cambridge, Mass., M.I.T. Press.

Table 12 shows more up-to-date figures for the Bay Region in 1980. In that year, of the 136 corporations with annual revenues in excess of $10m, 51 or 38 percent were located in San Francisco. These were predominantly financial and included Bank of America, Wells Fargo, Crocker National, BanCal Tri-State, California First Bank, Golden West Financial, Fidelity Financial, Northern California Savings and Loan, Homestead Financial and Pacific Coast Holdings. In addition to these financial corporations a number of top industrial and utility firms also had headquarters or major administrative offices in San Francisco. These included Standard Oil of California, Bechtel, Transamerica, Foremost-McKesson, Crown Zellerbach, Southern Pacific, Levi Strauss, Pacific Telephone, Pacific Gas and Electric, Pacific Gas Transmission, California Pacific National and California Water Service. Taken together, these corporations alone would make The City a characteristically central location for corporate hierarchies and their attendant symbiotic functions and staff.

In contrast, Santa Clara County (San Jose SMSA) also had a significant number of large corporations but they were mainly concerned with high technology. Of the 136 large Bay Region corporations, Table 12 shows that Santa Clara County had 43 or 32 percent of the total. These corporations included Hewlett-Packard, National Semiconductor, Intel, Envirotech, Advanced Micro Devices, Siliconix, Memorex, Syntex, Raychem, Ampex, Tymshare, Itel, Tholin, Measurex, Apple Computer, Dysan, Coherent, Nelson LB, Siltec and Triad Systems.

The presence of major financial, industrial and utility corporations in San Francisco and of high technology firms in San Jose would be enough to influence the framework and structure of their local economies. The structural tendencies of the major corporations are, however, reinforced by the characteristics of numerous less prestigious organisations which are also located in the Bay Region. Table 13 shows that, in 1979, Santa Clara County and San Francisco each had higher proportions of their workforces located in larger economic units than anywhere else in the Bay Region. The table shows that although only three percent of reporting units (i.e., plants) in Santa Clara and San Francisco employed more than 100 workers, these employers accounted for 58 percent of jobs in San Francisco and 63 percent in Santa Clara. Thus, the majority of both the most significant and general employment in both areas is controlled and structured by larger corporations.

Conversely, the market economy, composed mainly of firms with nine or fewer employees, constituted not less than 72 percent of reporting units in the Bay Region in 1979. Despite this it never accounted for more than 25 percent of total employment in residential Marin County.

It may be concluded from these figures that larger corporations do indeed form the framework of the Bay Region economy. This is the case both in "declining" San Francisco and "growing" San Jose. Although the relevant 1980 census figures are awaited at this point in time, to confirm what effects these facts have on employment structures in these areas, it is possible to analyse some of the changes using 1950 and 1970 census data.

Table 12

Bay Region Corporate Hierarchies
136 Largest Bay Area Corporations - revenues over $10m in 1980

Area	Number of firms	Percent Distribution	Predominant Industry
San Francisco	51	38	Financial
Santa Clara County	43	32	High tech
San Mateo County	13	10	High tech
Oakland	12	9	Diverse
Contra Costa County	7	5	Diverse
Other Alameda County	5	4	Diverse
Marin County	3	2	Diverse
Sonoma County	2	1	Diverse
Total N = 100%	136		

Note: Numbers do not add to 100 because of consistent rounding.

Source: Compiled by the Association of Bay Area Governments from The California 500, California Business, May 1980.

Table 13

Number of Insured Reporting Units by Size of Employment
Bay Region, 1979

Size of Employment	San Francisco		Alameda		Contra Costa		Marin		San Mateo		Santa Clara		Sonoma		Napa		Solano		Bay Region	
	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %	Units %	Employment %
0-9	73	11	73	13	77	17	79	25	75	13	72	10	78	23	76	21	75	19	75	11
10-99	23	31	24	35	21	36	19	46	23	35	25	28	20	45	22	47	23	45	23	29
100 or over	3	58	3	52	2	47	1	29	3	52	3	63	2	35	2	32	2	37	3	60
Total N (000s) = 100%	22,214	449,617	20,788	379,994	10,836	156,646	5,696	56,874	12,114	218,275	24,190	586,123	7,329	79,894	2,234	25,963	3,413	48,854	108,814	2,002,240

Note: Numbers do not necessarily add to 100 because of consistent rounding.

Source: State of California, Employment Development Department (1979) Size of Firm Coastal Area Labor Market Information Group, San Francisco.

Tables 14 and 15 show the relevant figures for the San Francisco-Oakland SMSA (they are not available in this form for San Francisco alone). Tables 16 and 17 show the same information for the San Jose SMSA.

Tables 14 and 15 show that total employment in the San Francisco-Oakland SMSA increased from 827,554 in 1950 to 1,251,375 in 1970. In the context of this overall increase, construction, manufacturing, transport, trade and public administration all show relative declines with gains only recorded in finance and services.

Thinking of San Francisco as an increasingly white-collar location for higher level corporate functions reveals a somewhat different and more interesting set of figures. First, concentrating on the four different types of services and allocating a quarter of public administration employment to each of them, reveal a structure of employment that is to be expected from such an assumption. Thus, production services were 10.1 percent of total employment in 1950 and 10.0 percent in 1970. Within this total, however, PSE in durable manufacturing increased from 2.9 to 3.4 percent of total employment with relative increases in professional, technical and kindred workers accounting for the gain. This is in line with Gershuny's argument for the growing importance of more complex consumer durables. It also illustrates the effects of urban concentrations of corporate industrial hierarchies.

Distribution services declined from 29.6 to 26.6 percent of total employment. The main decline in this sector was in managers and sales workers. This illustrates the suburbanisation of Bay Region's retail outlets.

Exchange services increased from 6.9 to 8.0 percent of total employment. The main relative gain here was in clerical occupations. These are the routine workers associated with corporate office functions. An increase in these occupations indicates increasing concentrations of higher corporate activities.

Finally, consumer services increased from 24.8 to 32.9 percent of total employment. This is likely to be a function of the higher incomes of corporate office staff, the central and world city status of San Francisco. In combination these can sustain more restaurants, hotels, theatres, music and other leisure services than cities without these characteristics.

In common with other world cities, however, the proportion of manual employment in and around San Francisco has fallen. Between 1950 and 1970 it declined from 36.3 to 27.7 percent of all employment. Although it has been argued that this may be a "good" thing for some conurbations, it presents serious employment problems for those workers who are not equipped or trained to move into white-coller jobs.

Tables 14 and 15 are therefore consistent both with the hypothesis that complex durable goods are becoming more rather than less important in advanced economies, and that a world city, like San Francisco, is dependent on the development of white-collar corporate hierarchies for the main framework of its urban economy. Such developments also entail the decline of manual jobs in cities like San Francisco.

Table 14

Employed Persons by Urban Industry and Occupation
San Francisco-Oakland Standard Metropolitan Statistical Area, 1950
Persons 14 years old and over

Industry	Professional, technical workers %	Managers, admin. except farmers %	Sales workers %	Clerical workers %	Craft and kindred workers %	Operators and kindred workers %	Non-farm labourers %	Service workers %	Totals %
	Occupation								
Construction	.4	.8	-	.3	4.2	.5	1.1	-	7.3
Manufacturing	1.6	1.6	1.1	2.9	5.2	6.7	1.4	.4	20.9
(Durable)	.7	.7	.3	1.3	3.3	3.0	.7	.2	10.2
(Nondurable)	.9	.9	.8	1.6	1.9	3.7	.7	.2	10.7
Transportation and public utilities	.7	.8	.1	3.2	2.1	2.4	1.5	.5	11.3
Trade, wholesale and retail	.7	5.3	6.4	3.3	1.4	2.5	.8	3.6	24.0
(Wholesale)	.2	1.1	1.2	1.4	.3	.8	.4	.1	5.5
(Retail)	.5	4.2	5.2	1.9	1.1	1.7	.4	3.5	18.5
Finance, insurance and real estate	.3	1.1	1.6	2.9	.1	-	.1	.5	6.6
Services	7.6	1.7	.2	2.8	1.8	1.8	.6	6.2	22.7
Public Administration	.9	.5	-	3.4	1.1	.5	.5	1.3	8.2
Totals	12.2	11.8	9.4	18.8	15.9	14.4	6.0	12.5	

Total N = 827,554 = 100%
Notes: - = less than 0.1
Numbers do not necessarily add to 100 because of consistent rounding.
Excluding occupations and industries not reported.

Source: United States Department of Commerce (1952) Census of Population: 1950. Vol. 2. Characteristics of the Population, Part 6, California. Bureau of the Census, Washington, D.C.

Table 15

Employed Persons by Urban Industry and Occupation
San Francisco-Oakland Standard Metropolitan Statistical Area, 1970
Persons 16 years old and over

Industry	Occupation: Professional, technical workers %	Managers, admin. except farms %	Sales workers %	Clerical workers %	Craft and kindred workers %	Operators except transport %	Transport equipment operators %	Nonfarm labourers %	Service workers %	Totals %
Construction	.5	.6	-	.6	2.8	.2	.1	.6	-	5.4
Manufacturing	2.2	1.3	.8	2.6	3.4	5.0	.6	.5	.3	16.7
(Durable)	1.3	.7	.3	1.3	2.0	2.8	.3	.2	.1	9.0
(Nondurable)	.9	.6	.5	1.3	1.4	2.2	.3	.3	.2	7.7
Transportation, public utilities	1.1	.7	.1	3.0	2.0	.4	1.6	.7	.6	10.2
Trade, whole.& ret.	.7	3.0	5.3	4.0	1.5	1.6	.8	1.0	3.3	21.2
(Wholesale)	.3	.8	1.1	1.4	.4	.4	.4	.4	.1	5.3
(Retail)	.4	2.2	4.2	2.6	1.1	1.2	.4	.6	3.2	15.9
Finance, insurance, real estate	.5	1.4	1.7	4.0	.1	-	-	.1	.2	8.0
Services	12.0	1.8	.3	6.1	1.7	1.0	.3	.5	7.3	31.0
Public Administ'n	1.2	.6	-	3.1	.7	.1	.1	.3	1.3	7.4
Totals	18.2	9.4	8.2	23.4	12.2	8.3	3.5	3.7	13.0	

Total N = 1,251,375 = 100%

Notes: - = less than 0.1
Numbers do not necessarily add to 100 because of consistent rounding.

Source: United States Department of Commerce (1973) 1970 Census of Population Vol.1. Characteristics of the Population, Part 6, California Section 2.1, Bureau of the Census. Washington D.C.

Tables 16 and 17 also emphasise the importance of corporations for local economic growth. In San Jose SMSA, however, the picture is rather different from that of San Francisco. In the first place total employment grew from 88,237 to 402,068 between 1950 and 1970. Although this was also accompanied by a relative decline in manual employment from 40 to 29 percent of the total, blue-collar occupations in durable manufacturing increased from 6.0 to 10.1 percent of total jobs. At the same time production services in durables increased from 3.0 to 14.5 percent of total employment. Total durable manufacturing grew from 9.2 to 25.0 percent of total employment. No other industry registered such a proportionate increase.

Not surprisingly in corporations emphasising high technology, the levels of technical skills required by employers showed a tendency to rise over the period. Professional and technical employees in durables rose from 1.0 to 8.3 percent of total employment while craft and kindred workers also increased from 2.5 to 3.7 percent.

Changes in the four types of services in San Jose illustrate some interesting differences which reflect the different corporate activities in San Francisco and Santa Clara Counties. In the latter, total production service employment went from 9.3 in 1950 to 19.0 percent in 1970. Distribution services changed from 26.6 to 21.5 percent. Exchange services went from 4.0 to 4.6 percent. Consumer services increased from 27.6 to 30.0 percent of total employment.

Thus, it has been shown that one of the United States' most rapidly growing urban areas was largely dependent for its employment growth not on services as defined in the orthodox post-industrial society thesis but on manufacturing and production related services as defined in this paper. Such employment growth as took place in San Francisco was also dependent on corporate decisions leading to the concentration of production and exchange services which contributed to the demand for consumer services.

The inferences drawn from these figures and the main thrust of this paper are therefore that the structure of urban economies is based on the hierarchical organisation of large, often international, corporations. Such organisations provide the majority of all employment in both San Francisco and San Jose. As a result, the primary driving forces of urban economic growth and decline are the division of labour within corporations and the needs, desires and locational decisions of their top managers.

Some speculations and conclusions

If the main thrust of this paper is correct it is necessary to modify some of the conventional views of urban growth and decline. Thus, if the framework of urban economies is based on the hierarchical division of labour in corporations, it is to be expected that cities will also move towards approximating this division of labour. If corporations divide into functionally distinct and differentially located units, different cities will come to be characterised by these same functional distinctions.

Table 16

Employed Persons by Urban Industry and Occupation
San Jose Standard Metropolitan Statistical Area, 1950
Persons 14 years old and over

	Occupation								
Industry	Professional, technical workers %	Managers, admin. except farmers %	Sales workers %	Clerical workers %	Craft and kindred workers %	Operators and kindred workers %	Non-farm labourers %	Service workers %	Totals %
Construction	.3	1.2	-	.3	6.4	.8	1.7	-	10.7
Manufacturing	1.7	1.6	.9	2.3	4.7	7.7	2.0	.5	21.4
(Durable)	1.0	.7	.2	1.1	2.5	2.9	.6	.2	9.2
(Nondurable)	.7	.9	.7	1.2	2.2	4.8	1.4	.3	12.2
Transportation and public utilities	.5	.7	-	1.9	1.7	2.0	.7	.2	7.7
Trade, wholesale and retail	.6	6.1	7.1	2.2	1.6	3.2	.8	3.2	24.8
(Wholesale)	.1	1.1	1.0	.7	.3	1.1	.4	.1	4.8
(Retail)	.5	5.0	6.1	1.5	1.3	2.1	.4	3.1	20.0
Finance, insurance and real estate	.2	.8	1.6	1.5	.1	-	.1	.1	4.4
Services	9.2	1.9	.2	2.7	2.3	1.9	1.0	7.0	26.2
Public Administration	1.0	.5	-	2.0	.9	.2	.2	.8	5.6
Totals	13.5	12.8	9.8	12.9	17.7	15.8	6.5	11.8	

Total N = 88,237 = 100%
Notes: - = less than 0.1
Numbers do not necessarily add to 100 because of consistent rounding.
Excluding occupations and industries not reported.

Source: United States Department of Commerce (1952) Census of Population: 1950. Vol. 2. Characteristics of the Population. Part 6. California. Bureau of the Census, Washington, D.C.

Table 17

Employed Persons by Urban Industry and Occupation
San Jose Standard Metropolitan Statistical Area, 1970
Persons 16 years and over

Industry	Occupation: Professional, technical workers %	Managers, admin. except farms %	Sales workers %	Clerical workers %	Craft and kindred workers %	Operators except transport %	Transport equipment operators %	Nonfarm labourers %	Service workers %	Totals %
Construction	.3	.6	.1	.4	3.1	.3	.2	.7	-	5.7
Manufacturing	8.9	2.5	.8	4.7	4.8	7.7	.6	.5	.5	31.0
(Durable)	8.3	2.0	.4	3.8	3.7	6.0	.2	.2	.4	25.0
(Nondurable)	.6	.5	.4	.9	1.1	1.7	.4	.3	.1	6.0
Transportation, public utilities	.9	.5	.1	1.5	1.4	.1	1.1	.2	.2	6.0
Trade, whole.& ret.	.7	2.7	5.1	2.9	1.4	1.6	.8	.8	3.0	19.0
(Wholesale)	.3	.6	1.0	.7	.3	.4	.4	.2	.1	4.0
(Retail)	.4	2.1	4.1	2.2	1.1	1.2	.4	.6	2.9	15.0
Finance, insurance, real estate	.2	1.1	1.6	2.1	.1	-	-	.1	.1	5.3
Services	12.2	1.6	.3	5.3	1.5	.8	.2	.6	6.4	28.9
Public Administ'n	1.0	.4	-	1.6	.2	-	-	.2	.9	4.3
Totals	24.2	9.4	8.0	18.5	12.5	10.5	2.9	3.1	11.1	

Total N = 402,068 = 100%

Note: - = less than 0.1
Numbers do not necessarily add to 100 because of consistent rounding.

Source: United States Department of Commerce (1973) 1970 Census of Population Vol.1. Characteristics of the Population, Part 6, California Section 2.1, Bureau of the Census. Washington D.C.

Although, in some aggregate aspects, San Francisco might be regarded as a world city experiencing urban decline, in fact what is happening, along with other world cities, is that its economy is being restructured by corporate decisions. The City is experiencing important and significant growth in its central decision making and administrative employment. The "Manhattenisation" of Downtown over the last decade is physical evidence of this process. At the same time, even the industrial corporations located in San Francisco do not generally seek to produce goods in The City. They are manufactured elsewhere as far afield as Korea and Taiwan. Urban specialisation in world cities is therefore usually accompanied by decline in manual employment.

The decline of resident population and manual employment is conventionally regarded as indicative of urban decline in world cities. It is argued here, however, that it should first be seen as indicative of corporate specialisation and differential growth. Thus, although populations and manual employment have declined in most world cities, white-collar occupations and housing costs have significantly increased. These phenomena influence the development of further socio-geographical characteristics in world cities.

World cities not only come to approximate corporate specialisations in their occupational structures but also tend to develop the reverse of these occupational structures in their residential segregation. Thus, although the main growth in employment in San Francisco has been in white-collar occupations, its population decline and differential residential mobility have altered the social and income structure of its residents in favour of lower paid clerical and manual workers.

Tables 18 and 19 show the occupations of Bay Area residents in 1970 and household income distribution in 1980. San Francisco is shown to have higher than average proportions of clerical and service workers as well as higher than average proportions of households with incomes under $8,000 per annum.

In contrast, growth areas like San Jose, as David Donnison (1980) has shown in the U.K., are socially and economically more equal and therefore "good cities" for a wider range of workers. Thus, Table 18 shows that San Jose had higher than average proportions of professional, technical and partly skilled workers and a closer to average proportion of managers, administrators, sales, clerical, craftsmen and service workers than did San Francisco in 1970. In addition, San Jose also had a much higher proportion of households receiving more than $25,000 and a much lower proportion receiving less than $8,000 than San Francisco or the Bay Region as a whole.

Such differences are partly a function of the fact that employment growth in San Francisco and San Jose has largely been driven by different levels of different types of corporate hierarchies. While The City's growth has been correlated with the location of new top corporate hierarchies and the expansion of old ones, San Jose's growth has been fueled more by the establishment of middle level functions in addition to top and manufacturing sectors of corporate organisations. In either case, significant structural growth has been driven primarily by production, exchange and their associated symbiotic activities.

Table 18

Occupation of Employed Urban Residents
Bay Region, 1970

Occupation	San Francisco %	Rest of San Francisco-Oakland SMSA %	San Jose SMSA %	Santa Rosa SMSA %	V-F-N SMSA %	Bay Region Total %
	Area					
Professional, technical	17.6	18.5	24.1	16.3	19.5	19.5
Managers, administrators	8.0	10.0	9.3	11.1	9.1	9.5
Sales workers	7.2	8.6	7.8	9.1	7.6	8.1
Clerical workers	29.0	21.2	18.4	16.8	21.2	21.8
Craftsmen, foremen	8.5	13.7	12.5	14.8	20.4	12.8
Operators, not transport.	7.3	8.5	10.5	8.0	9.5	8.8
Transport operators	3.0	3.6	2.9	4.2	4.0	3.4
Labourers, not farm	3.6	4.0	3.5	4.7	5.4	3.9
Service, not private	14.3	10.7	10.1	13.6	18.1	11.6
Private household	1.6	1.2	.9	1.4	2.1	1.3
Total N = 100%	317,502	943,959	404,983	64,389	65,605	1,796,438

Note: Numbers do not necessarily add to 100 because of consistent rounding.

Source: United States Department of Commerce, Social and Economic Statistics Administration (1972). 1970 Census of Population. General Social and Economic Characteristics, California. Bureau of the Census, Washington, D.C.

Table 19

Households by Effective Buying Income Group
Bay Region, 1980

Income group	San Francisco %	Alameda %	Contra Costa %	Marin %	San Mateo %	San Jose %	Santa Rosa %	Vallejo/ Fairfield Napa %	United States %
Under $8,000	20.2	17.1	12.1	10.8	9.3	9.8	23.3	18.8	19.9
$8,000-$9,999	4.8	4.2	3.0	2.9	2.6	2.8	5.2	5.0	5.0
$10,000-$14,999	12.5	10.4	8.4	8.4	7.4	7.2	12.2	13.7	13.2
$15,000-$24,999	25.0	24.9	24.5	20.6	21.2	19.9	25.5	29.7	28.2
$25,000 and up	37.5	43.4	52.0	57.3	59.5	60.3	33.8	32.8	33.8
	100	100	100	100	100	100	100	100	100

Note: Effective buying income = personal income less personal tax and nontax payments.

Source: Sales and Marketing Management (1981) Vol. 126, No. 2, New York.

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